

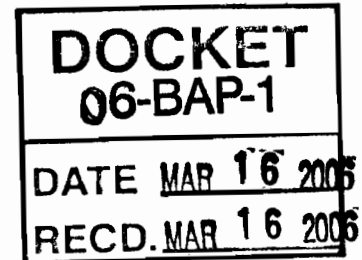


Supporting the economic, social and environmental
well-being of California's Central Valley

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March 16, 2006

Commissioner Jim Boyd
Joe Desmond, Chair
California Energy Commission
Sacramento California 95814



Dear Mr. Desmond:

There are many reasons why California and our nation must increase the availability of alternative energy resources. National security and our economy come to mind immediately. But we have even more motivation for development of alternative energy resources in California's Great Central Valley.

The Great Valley Center is a non-profit corporation that specifically refrains from public advocacy, unless the issue at hand is of essential importance to the mission of the center, which is to support the "economic, social, and environmental well-being of the Valley. We believe that providing incentives for usage of bio-fuels meets that test.

The Central Valley is among California's fastest growing areas, and is also the world's most productive agricultural region. At the same time, it suffers from some of the worst air quality challenges faced by any region in our country. Not only do we have enormous growth pressures with attendant environmental factors but, as a major goods corridor for the nation, much of the emission problem created by long haul transport rests in our communities. Solutions here are more difficult—the geography of the valley concentrates and retains pollutants.

The Great Valley Center has looked at this issue in some depth. In 2003, GVC published *Renewable Energy: Strategic Opportunities for the Central Valley*. In 2004, we followed with *Ethanol and California: A Feasibility Framework*. Both these reports speak to the circumstances which can make renewable energy industries economically and environmentally viable in the valley

That is why we at the Great Valley Center are so enthusiastic about the prospects of bio-fuels development. Creation of the ethanol alternative will help maintain California's position as one of our leading states in alternative fuels development. And it can have direct and measurable benefits to the air quality of the Great Valley of California. In fact the Central Valley had its best air quality on record last year, resulting from ethanol added to gasoline. Increasing the amount of ethanol up to 10% will further help our air quality.

Page 2
March 16, 2006
RE: Bio-fuel development

It can also serve as an economic generator—bringing added value to agricultural products and addressing some of the problems associated with agricultural waste disposal.

This is a winner for California.

I urge the commission to act in support of the proposal to expedite bio-fuel development in California. Specifically, we urge you to recommend to the Governor a renewable fuels standard of no less than 10% by 2010. In addition it is absolutely critical that the concurrent fuel regulation at the ARB makes sure that there is no backsliding on current use of renewable fuels such as ethanol. Any backsliding will discourage investment and California will lose this great opportunity.

Sincerely,

A handwritten signature in black ink, appearing to read "Carol Whiteside". The signature is fluid and cursive, with a large loop at the end.

Carol Whiteside
President, Great Valley Center